

Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 24-0454.03 Pierce Lively x2059

HOUSE BILL 24-1152

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A BILL FOR AN ACT

101 **CONCERNING INCREASING THE NUMBER OF ACCESSORY DWELLING**
102 **UNITS, AND, IN CONNECTION THEREWITH, MAKING AN**
103 **APPROPRIATION.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

Section 1 of the bill creates a series of requirements related to accessory dwelling units. The bill establishes unique requirements for subject jurisdictions and for qualifying as an accessory dwelling unit supportive jurisdiction (supportive jurisdiction).

As established in the bill, a subject jurisdiction is either:

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

HOUSE
3rd Reading Unamended
April 14, 2024

HOUSE
Amended 2nd Reading
April 12, 2024

- A municipality that has a population of 1,000 or more and that is within the area of a metropolitan planning organization; or
- The portion of a county that is both within a census designated place with a population of ten thousand or more, as reported in the most recent decennial census, and within the area of a metropolitan planning organization.

The bill requires a subject jurisdiction to allow, subject to an administrative approval process, one accessory dwelling unit as an accessory use to a single-unit detached dwelling in any part of the subject jurisdiction where the subject jurisdiction allows single-unit detached dwellings. The bill also prohibits subject jurisdictions from enacting or enforcing certain local laws that would restrict the construction or conversion of an accessory dwelling unit.

In order to qualify as a supportive jurisdiction, a jurisdiction must submit a report to the division of local government in the department of local affairs (the division) demonstrating that the jurisdiction:

- Has complied with the accessory dwelling unit requirements the bill imposes on subject jurisdictions; and
- Has implemented one or more strategies to encourage and facilitate the construction or conversion of accessory dwelling units.

Section 1 also creates the accessory dwelling unit fee reduction and encouragement grant program within the division. The purpose of this grant program is for the division to provide grants to supportive jurisdictions for offsetting costs incurred in connection with developing pre-approved accessory dwelling unit plans, providing technical assistance to persons converting or constructing accessory dwelling units, or waiving or reducing accessory dwelling unit associated fees and other required costs.

Section 2 grants the Colorado economic development commission the power to expend \$8 million to contract with the Colorado housing and finance authority to operate and establish the following programs to benefit the residents of supportive jurisdictions:

- An accessory dwelling unit loss reserve program that offers affordable loans for the construction or conversion of accessory dwelling units;
- A program that allows for the buying down of interest rates on loans made in connection with the construction or conversion of accessory dwelling units;
- A program that offers down payment assistance in connection with accessory dwelling units; and
- A program through which the Colorado housing and finance authority offers direct loans in connection with the construction or conversion of accessory dwelling units.

Section 3 prohibits a planned unit development resolution or ordinance for a planned unit development from restricting the permitting of an accessory dwelling unit more than the local law that applies to accessory dwelling units outside of the planned unit development.

Section 4 states that any prohibition on accessory dwelling units or the implementation of restrictive design or dimension standards by a unit owners' association in a supportive jurisdiction is void as a matter of public policy.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** article 35 to title
3 29 as follows:

4 **ARTICLE 35**

5 **State Land Use Criteria For Strategic Growth**

6 **PART 1**

7 **ACCESSORY DWELLING UNITS**

8 **29-35-101. Legislative declaration.** (1) (a) THE GENERAL
9 ASSEMBLY HEREBY FINDS, DETERMINES, AND DECLARES THAT:

10 (I) ACCESSORY DWELLING UNITS OFFER A WAY TO PROVIDE
11 COMPACT, RELATIVELY AFFORDABLE HOUSING IN ESTABLISHED
12 NEIGHBORHOODS WITH MINIMAL IMPACTS TO INFRASTRUCTURE AND TO
13 SUPPLY NEW HOUSING OPPORTUNITIES WITHOUT ADDED DISPERSED
14 LOW-DENSITY HOUSING;

15 (II) ACCESSORY DWELLING UNITS GENERATE RENTAL INCOME TO
16 HELP HOMEOWNERS COVER MORTGAGE PAYMENTS OR OTHER COSTS,
17 WHICH CAN BE IMPORTANT FOR A VARIETY OF RESIDENTS, SUCH AS OLDER
18 HOMEOWNERS ON FIXED INCOMES AND LOW- AND MODERATE-INCOME
19 HOMEOWNERS;

20 (III) ACCESSORY DWELLING UNITS PROVIDE FAMILIES WITH
21 OPTIONS FOR INTERGENERATIONAL LIVING ARRANGEMENTS THAT ENABLE

1 CHILD OR ELDER CARE AND AGING IN PLACE, AND A 2021 SURVEY BY THE
2 AARP FOUND THAT APPROXIMATELY SEVENTY-FIVE PERCENT OF PEOPLE
3 FIFTY YEARS OF AGE OR OLDER WANT TO STAY IN THEIR HOMES OR
4 COMMUNITIES FOR AS LONG AS THEY CAN. ACCORDING TO A 2018 STUDY
5 BY THE CENTER FOR AMERICAN PROGRESS, FIFTY-ONE PERCENT OF
6 COLORADANS LIVE IN A CHILD CARE DESERT-A COMMUNITY WHERE THERE
7 ARE NO CHILD CARE PROVIDERS OR SO FEW OPTIONS THAT THERE ARE
8 MORE THAN THREE TIMES AS MANY CHILDREN AS THERE ARE LICENSED
9 CHILD CARE SLOTS. THESE CHILD CARE DESERTS ARE SITUATED WITHIN
10 RURAL, SUBURBAN, AND URBAN COMMUNITIES AND ARE A MAJOR REASON
11 FOR WORKING PARENTS TO LEAVE THE WORKFORCE.

12 (IV) ACCESSORY DWELLING UNITS ARE OFTEN OCCUPIED AT LOW
13 TO NO RENT BY FAMILY MEMBERS, AND IF THEY ARE RENTED PRIVATELY,
14 THEIR RENTS ARE RELATIVELY AFFORDABLE BECAUSE OF THEIR SMALL
15 SIZE;

16 (V) AS COLORADO'S POPULATION AGES AND TYPICAL HOUSEHOLD
17 SIZE CONTINUES TO DECREASE, ACCESSORY DWELLING UNITS OFFER MORE
18 COMPACT HOUSING OPTIONS THAT ALIGN WITH THE STATE'S CHANGING
19 DEMOGRAPHICS, AND COLORADANS OVER SIXTY-FIVE YEARS OF AGE ARE
20 THE FASTEST-GROWING AGE COHORT IN COLORADO ACCORDING TO THE
21 STATE DEMOGRAPHY OFFICE;

22 (VI) ACCESSORY DWELLING UNITS ENABLE SENIORS TO DOWNSIZE,
23 MOVE INTO ACCESSIBLE UNITS, OR LIVE WITH FAMILY OR A CAREGIVER
24 WHILE REMAINING IN THEIR COMMUNITIES. A 2018 AARP SURVEY FOUND
25 THAT SIXTY-SEVEN PERCENT OF ADULTS WOULD CONSIDER LIVING IN AN
26 ACCESSORY DWELLING UNIT TO BE CLOSE TO SOMEONE BUT STILL HAVE A
27 SEPARATE SPACE. MOST SENIORS DO NOT LIVE IN HOMES THAT ARE

1 ACCESSIBLE, EVEN THOUGH DISABILITY IS PREVALENT AMONG THE SENIOR
2 POPULATION AND INCREASES WITH AGE. LESS THAN FOUR PERCENT OF
3 EXISTING HOUSING UNITS IN THE UNITED STATES ARE ESTIMATED TO BE
4 LIVABLE FOR PEOPLE WITH MODERATE MOBILITY DIFFICULTIES,
5 ACCORDING TO "HOUSING FOR AN AGING POPULATION" IN THE JOURNAL
6 HOUSING POLICY DEBATE.

7 (VII) RELATIVE TO DISPERSED, LOW-DENSITY DEVELOPMENT,
8 COMPACT INFILL DEVELOPMENT, INCLUDING ACCESSORY DWELLING UNIT
9 DEVELOPMENT, REDUCES WATER USE, GREENHOUSE GAS EMISSIONS,
10 INFRASTRUCTURE COSTS, AND HOUSEHOLD ENERGY AND TRANSPORTATION
11 COSTS;

12 (VIII) ACCESSORY DWELLING UNITS USE SIGNIFICANTLY LESS
13 ENERGY FOR HEATING AND COOLING THAN SINGLE-UNIT DETACHED
14 DWELLINGS BECAUSE OF THEIR SMALLER SIZE, WHICH REDUCES
15 HOUSEHOLD ENERGY COSTS AND GREENHOUSE GAS EMISSIONS.
16 ACCESSORY DWELLING UNITS CAN REDUCE LIFETIME CARBON DIOXIDE
17 EMISSIONS BY FORTY PERCENT COMPARED TO MEDIUM-SIZED
18 SINGLE-FAMILY HOMES, ACCORDING TO A REPORT FROM THE OREGON
19 DEPARTMENT OF ENVIRONMENTAL QUALITY. REDUCING EMISSIONS FROM
20 THE HOUSING SECTOR IS CRITICAL FOR MEETING THE STATE'S GREENHOUSE
21 GAS EMISSIONS TARGETS ESTABLISHED IN SECTION 25-7-102. ACCORDING
22 TO "THE CARBON FOOTPRINT OF HOUSEHOLD ENERGY USE IN THE UNITED
23 STATES" IN THE PROCEEDINGS OF THE NATIONAL ACADEMY OF SCIENCES,
24 REDUCING FLOOR SPACE PER CAPITA IS A CRITICAL STRATEGY TO
25 REACHING MID-CENTURY CLIMATE GOALS.

26 (IX) COMPACT INFILL DEVELOPMENT REDUCES WATER DEMAND
27 AND INFRASTRUCTURE COSTS BY USING LESS PIPING, WHICH REDUCES

1 WATER LOSS; INCLUDES LESS LANDSCAPED SPACE PER UNIT; AND MAKES
2 BETTER USE OF EXISTING INFRASTRUCTURE.

3 (X) ACCESSORY DWELLING UNITS REDUCE GOVERNMENT CAPITAL
4 AND MAINTENANCE COSTS FOR INFRASTRUCTURE SINCE ACCESSORY
5 DWELLING UNITS ARE BUILT IN EXISTING NEIGHBORHOODS AND HAVE A
6 RELATIVELY SMALL IMPACT ON EXISTING INFRASTRUCTURE. NATIONAL
7 STUDIES SUCH AS "RELATIONSHIPS BETWEEN DENSITY AND PER CAPITA
8 MUNICIPAL SPENDING IN THE UNITED STATES", PUBLISHED IN URBAN
9 SCIENCE, HAVE FOUND THAT LOWER DENSITY COMMUNITIES HAVE HIGHER
10 GOVERNMENT CAPITAL AND MAINTENANCE COSTS FOR WATER, SEWER,
11 AND TRANSPORTATION INFRASTRUCTURE AND LOWER PROPERTY AND
12 SALES TAX REVENUE. THESE INCREASED COSTS ARE OFTEN BORNE BY
13 BOTH STATE AND LOCAL GOVERNMENTS.

14 (XI) A NUMBER OF LOCAL LAND USE LAWS PROHIBIT HOMEOWNERS
15 FROM BUILDING AN ACCESSORY DWELLING UNIT, OR APPLY REGULATIONS
16 TO ACCESSORY DWELLING UNITS THAT SIGNIFICANTLY LIMIT THEIR
17 CONSTRUCTION;

18 (XII) A NUMBER OF MUNICIPALITIES HAVE REMOVED BARRIERS TO
19 ACCESSORY DWELLING UNIT CONSTRUCTION SUCH AS PARKING
20 REQUIREMENTS, OWNER OCCUPANCY REQUIREMENTS, AND RESTRICTIVE
21 SIZE AND DESIGN LIMITATIONS, WHICH HAS RESULTED IN ACCESSORY
22 DWELLING UNIT PERMITS INCREASING TO TEN TO TWENTY PERCENT OF
23 TOTAL NEW HOUSING PERMITS AND AN OVERALL INCREASE IN THE TOTAL
24 HOUSING SUPPLY. SINCE CALIFORNIA IMPLEMENTED VARIOUS REFORMS TO
25 ENCOURAGE ACCESSORY DWELLING UNIT CONSTRUCTION, INCLUDING
26 REQUIRING CITIES TO ALLOW ACCESSORY DWELLING UNITS AS A USE BY
27 RIGHT, PREVENTING THE IMPOSITION OF PARKING REQUIREMENTS, AND

1 PREVENTING OWNER OCCUPANCY REQUIREMENTS, ACCESSORY DWELLING
2 UNIT CONSTRUCTION HAS INCREASED SIGNIFICANTLY IN CALIFORNIA.
3 FOLLOWING REFORMS TO CALIFORNIA'S ACCESSORY DWELLING UNIT LAW
4 IN 2016, ACCESSORY DWELLING UNIT DEVELOPMENT HAS INCREASED
5 RAPIDLY FROM AROUND ONE THOUSAND ACCESSORY DWELLING UNITS
6 PERMITTED IN 2016 TO OVER TWENTY-FOUR THOUSAND IN 2022, OR ABOUT
7 TWENTY PERCENT OF NEW HOUSING PERMITS STATEWIDE, ACCORDING TO
8 DATA FROM THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY
9 DEVELOPMENT AND ANALYSIS BY THE BIPARTISAN POLICY CENTER.

10 (XIII) HOUSING SUPPLY IMPACTS HOUSING AFFORDABILITY, AND
11 HOUSING PRICES ARE TYPICALLY HIGHER WHEN HOUSING SUPPLY IS
12 RESTRICTED BY LOCAL LAND USE REGULATIONS IN A METROPOLITAN
13 REGION, ACCORDING TO THE NATIONAL BUREAU OF ECONOMIC RESEARCH
14 IN WORKING PAPERS SUCH AS "REGULATION AND HOUSING SUPPLY", "THE
15 IMPACT OF ZONING ON HOUSING AFFORDABILITY", AND "THE IMPACT OF
16 LOCAL RESIDENTIAL LAND USE RESTRICTIONS ON LAND VALUES ACROSS
17 AND WITHIN SINGLE FAMILY HOUSING MARKETS";

18 (XIV) INCREASING HOUSING SUPPLY MODERATES PRICE INCREASES
19 AND IMPROVES HOUSING AFFORDABILITY ACROSS ALL INCOMES,
20 ACCORDING TO STUDIES SUCH AS "THE ECONOMIC IMPLICATIONS OF
21 HOUSING SUPPLY" IN THE JOURNAL OF ECONOMIC PERSPECTIVES AND
22 "SUPPLY SKEPTICISM: HOUSING SUPPLY AND AFFORDABILITY" IN THE
23 JOURNAL HOUSING POLICY DEBATE;

24 (XV) ACADEMIC RESEARCH SUCH AS "THE IMPACT OF BUILDING
25 RESTRICTIONS ON HOUSING AFFORDABILITY" IN THE FEDERAL RESERVE
26 BANK OF NEW YORK ECONOMIC POLICY REVIEW HAS IDENTIFIED ZONING
27 AND OTHER LAND USE CONTROLS AS A PRIMARY DRIVER OF RISING

1 HOUSING COSTS IN THE MOST EXPENSIVE HOUSING MARKETS;

2 (XVI) ACCESSORY DWELLING UNITS OFFER AFFORDABLE AND
3 ATTAINABLE OPTIONS TO LIVE IN HIGH-OPPORTUNITY NEIGHBORHOODS,
4 WHICH CAN HELP IMPROVE EQUITY OUTCOMES REGIONALLY AND
5 STATEWIDE. AN ANALYSIS OF ACCESSORY DWELLING UNIT PERMITTING IN
6 CALIFORNIA FOUND THAT ACCESSORY DWELLING UNITS ARE TYPICALLY
7 PERMITTED ON PARCELS WITH RELATIVELY GOOD ACCESS TO JOBS
8 COMPARED TO SURROUNDING AREAS, ACCORDING TO "WHERE WILL
9 ACCESSORY DWELLING UNITS SPROUT UP WHEN A STATE LETS THEM
10 GROW? EVIDENCE FROM CALIFORNIA" IN CITYSCAPE: A JOURNAL OF
11 POLICY DEVELOPMENT AND RESEARCH.

12 (XVII) LOCAL GOVERNMENT REGULATION OF ACCESSORY
13 DWELLING UNITS VARIES SIGNIFICANTLY WITHIN REGIONS AND STATEWIDE
14 IN COLORADO IN TERMS OF WHERE THEY ARE ALLOWED, THE DIMENSIONAL
15 AND DESIGN RESTRICTIONS APPLIED, AND OTHER REQUIREMENTS. THIS
16 INCONSISTENCY INHIBITS THE DEVELOPMENT OF A ROBUST MARKET OF
17 ACCESSORY DWELLING UNIT DEVELOPERS, MODULAR ACCESSORY
18 DWELLING UNIT DESIGNS, AND ASSOCIATED COST REDUCTIONS. COLORADO
19 IS SIMILAR TO MOST STATES IN THIS REGARD, AND, ACCORDING TO
20 "ZONING BY A THOUSAND CUTS" IN THE PEPPERDINE LAW REVIEW,
21 WHICH ANALYZED ACCESSORY DWELLING UNIT REGULATIONS ACROSS
22 CONNECTICUT, "THE HIGH DEGREE OF REGULATORY VARIATION THWARTS
23 THE DEVELOPMENT OF PROTOTYPE DESIGNS OR PREFABRICATED
24 [ACCESSORY DWELLING UNITS] THAT COULD SATISFY DIFFERENT RULES
25 ACROSS JURISDICTIONS".

26 (XVIII) MORE PERMISSIVE REGULATION BY LOCAL GOVERNMENTS
27 OF ACCESSORY DWELLING UNITS PROVIDES A REASONABLE CHANCE FOR

1 HOMEOWNERS TO CONSTRUCT OR CONVERT AN ACCESSORY DWELLING
2 UNIT AND THEREBY INCREASE HOUSING SUPPLY, STABILIZE HOUSING
3 COSTS, AND CONTRIBUTE TO AFFORDABLE AND EQUITABLE HOME
4 OWNERSHIP TO ADEQUATELY MEET THE HOUSING NEEDS OF A GROWING
5 COLORADO POPULATION.

6 (b) THEREFORE, THE GENERAL ASSEMBLY DECLARES THAT
7 INCREASING THE HOUSING SUPPLY THROUGH THE CONSTRUCTION OR
8 CONVERSION OF ACCESSORY DWELLING UNITS IS A MATTER OF MIXED
9 STATEWIDE AND LOCAL CONCERN.

10 **29-35-102. Definitions.** AS USED IN THIS PART 1, UNLESS THE
11 CONTEXT OTHERWISE REQUIRES:

12 (1) "ACCESSIBLE UNIT" MEANS A HOUSING UNIT THAT:

13 (a) SATISFIES THE REQUIREMENTS OF THE FEDERAL "FAIR HOUSING
14 ACT", 42 U.S.C. SEC. 3601 ET SEQ., AS AMENDED;

15 (b) INCORPORATES UNIVERSAL DESIGN; OR

16 (c) IS EITHER A TYPE A DWELLING UNIT, AS DEFINED IN SECTION
17 9-5-101 (10), OR A TYPE B DWELLING UNIT, AS DEFINED IN SECTION
18 9-5-101 (12).

19 (2) "ACCESSORY DWELLING UNIT" MEANS AN INTERNAL,
20 ATTACHED, OR DETACHED DWELLING UNIT THAT:

21 (a) PROVIDES COMPLETE INDEPENDENT LIVING FACILITIES FOR ONE
22 OR MORE INDIVIDUALS;

23 (b) IS LOCATED ON THE SAME LOT AS A PROPOSED OR EXISTING
24 PRIMARY RESIDENCE; AND

25 (c) INCLUDES FACILITIES FOR LIVING, SLEEPING, EATING, COOKING,
26 AND SANITATION.

27 (3) "ACCESSORY DWELLING UNIT SUPPORTIVE JURISDICTION"

1 MEANS A LOCAL GOVERNMENT THAT THE DEPARTMENT HAS CERTIFIED
2 PURSUANT TO SECTION 29-35-104 AS AN ACCESSORY DWELLING UNIT
3 SUPPORTIVE JURISDICTION.

4 (4) "ACCESSORY USE" MEANS A STRUCTURE OR THE USE OF A
5 STRUCTURE ON THE SAME LOT WITH, AND OF A NATURE CUSTOMARILY
6 INCIDENTAL AND SUBORDINATE TO, THE PRINCIPAL STRUCTURE OR USE OF
7 THE STRUCTURE.

8 (5) (a) "ADMINISTRATIVE APPROVAL PROCESS" MEANS A
9 PROCESS IN WHICH:

10 (I) A DEVELOPMENT PROPOSAL FOR A SPECIFIED PROJECT IS
11 APPROVED, APPROVED WITH CONDITIONS, OR DENIED BY LOCAL
12 GOVERNMENT ADMINISTRATIVE STAFF BASED SOLELY ON ITS COMPLIANCE
13 WITH OBJECTIVE STANDARDS SET FORTH IN LOCAL LAWS; AND

14 (II) DOES NOT REQUIRE, AND CANNOT BE ELEVATED TO REQUIRE,
15 A PUBLIC HEARING, A RECOMMENDATION, OR A DECISION BY AN ELECTED
16 OR APPOINTED PUBLIC BODY OR A HEARING OFFICER.

17 (b) NOTWITHSTANDING SUBSECTION (5)(a) OF THIS SECTION, AN
18 ADMINISTRATIVE APPROVAL PROCESS MAY REQUIRE AN APPOINTED
19 HISTORIC PRESERVATION COMMISSION TO MAKE A DECISION, OR TO MAKE
20 A RECOMMENDATION TO LOCAL GOVERNMENT ADMINISTRATIVE STAFF,
21 REGARDING A DEVELOPMENT APPLICATION INVOLVING A PROPERTY THAT
22 THE LOCAL GOVERNMENT HAS DESIGNATED AS A HISTORIC PROPERTY,
23 PROVIDED THAT:

24 (I) THE STATE HISTORIC PRESERVATION OFFICE WITHIN HISTORY
25 COLORADO HAS DESIGNATED THE LOCAL GOVERNMENT AS A CERTIFIED
26 LOCAL GOVERNMENT; AND

27 (II) THE APPOINTED HISTORIC PRESERVATION COMMISSION'S

1 DECISION OR RECOMMENDATION IS BASED ON STANDARDS EITHER SET
2 FORTH IN LOCAL LAW OR ESTABLISHED BY THE SECRETARY OF THE
3 INTERIOR OF THE UNITED STATES.

4 (6) "COUNTY" MEANS A COUNTY, INCLUDING A HOME RULE
5 COUNTY BUT EXCLUDING A CITY AND COUNTY.

6 (7) "DEPARTMENT" MEANS THE DEPARTMENT OF LOCAL AFFAIRS.

7 (8) "DWELLING UNIT" MEANS A SINGLE UNIT PROVIDING COMPLETE
8 INDEPENDENT LIVING FACILITIES FOR ONE OR MORE INDIVIDUALS,
9 INCLUDING PERMANENT FACILITIES FOR COOKING, EATING, LIVING,
10 SANITATION, AND SLEEPING.

11 (9) "EXEMPT PARCEL" MEANS A PARCEL THAT IS:

12 (a) NOT SERVED BY A DOMESTIC WATER AND SEWAGE TREATMENT
13 SYSTEM, AS DEFINED IN SECTION 24-65.1-104(5), OR IS SERVED BY A WELL
14 WITH A PERMIT THAT CANNOT SUPPLY AN ADDITIONAL DWELLING UNIT;

15 (b) A HISTORIC PROPERTY THAT IS NOT WITHIN A HISTORIC
16 DISTRICT; OR

17 (c) IN A FLOODWAY OR IN A ONE HUNDRED YEAR FLOODPLAIN, AS
18 IDENTIFIED BY THE FEDERAL EMERGENCY MANAGEMENT AGENCY.

19 (10) "HISTORIC DISTRICT" MEANS A DISTRICT ESTABLISHED BY
20 LOCAL LAW THAT MEETS THE DEFINITION OF "DISTRICT" SET FORTH IN 36
21 CFR 60.3 (d).

22 (11) "HISTORIC PROPERTY" MEANS A PROPERTY LISTED:

23 (a) ON THE NATIONAL REGISTER OF HISTORIC PLACES;

24 (b) ON THE COLORADO STATE REGISTER OF HISTORIC PROPERTIES;

25 OR

26 (c) AS A CONTRIBUTING STRUCTURE OR HISTORIC LANDMARK BY
27 A CERTIFIED LOCAL GOVERNMENT, AS DEFINED IN SECTION 39-22-514.5

1 (2)(b).

2 (12) "LOCAL GOVERNMENT" MEANS A MUNICIPALITY, COUNTY, OR
3 TRIBAL NATION WITH JURISDICTION IN COLORADO.

4 (13) "LOCAL LAW" MEANS ANY CODE, LAW, ORDINANCE, POLICY,
5 REGULATION, OR RULE ENACTED BY A LOCAL GOVERNMENT THAT
6 GOVERNS THE DEVELOPMENT AND USE OF LAND, INCLUDING LAND USE
7 CODES, ZONING CODES, AND SUBDIVISION CODES.

8 (14) "LOW- AND MODERATE-INCOME HOUSEHOLD" MEANS A
9 HOUSEHOLD THAT IS CONSIDERED LOW-, MODERATE-, OR MEDIUM-INCOME,
10 AS DETERMINED BY THE FEDERAL DEPARTMENT OF HOUSING AND URBAN
11 DEVELOPMENT.

12 (15) "METROPOLITAN PLANNING ORGANIZATION" MEANS A
13 METROPOLITAN PLANNING ORGANIZATION UNDER THE "FEDERAL TRANSIT
14 ACT OF 1998", 49 U.S.C. SEC. 5301 ET SEQ., AS AMENDED.

15 (16) "MUNICIPALITY" MEANS A HOME RULE OR STATUTORY CITY
16 OR TOWN, TERRITORIAL CHARTER CITY OR TOWN, OR CITY AND COUNTY.

17 (17) "OBJECTIVE STANDARD" MEANS A STANDARD THAT:

18 (a) IS A DEFINED BENCHMARK OR CRITERION THAT ALLOWS FOR
19 DETERMINATIONS OF COMPLIANCE TO BE CONSISTENTLY DECIDED
20 REGARDLESS OF THE DECISION MAKER; AND

21 (b) DOES NOT REQUIRE A SUBJECTIVE DETERMINATION
22 CONCERNING A DEVELOPMENT PROPOSAL, INCLUDING BUT NOT LIMITED TO
23 WHETHER THE APPLICATION FOR THE DEVELOPMENT PROPOSAL IS:

24 (I) CONSISTENT WITH MASTER PLANS, OR OTHER DEVELOPMENT
25 PLANS;

26 (II) COMPATIBLE WITH THE LAND USE OR DEVELOPMENT OF THE
27 AREA SURROUNDING THE AREA DESCRIBED IN THE APPLICATION; OR

1 (III) CONSISTENT WITH PUBLIC WELFARE, COMMUNITY
2 CHARACTER, OR NEIGHBORHOOD CHARACTER.

3 (18) "RESTRICTIVE DESIGN OR DIMENSION STANDARD" MEANS A
4 STANDARD IN A LOCAL LAW THAT:

5 (a) REQUIRES AN ARCHITECTURAL STYLE, BUILDING MATERIAL, OR
6 LANDSCAPING THAT IS MORE RESTRICTIVE FOR AN ACCESSORY DWELLING
7 UNIT THAN FOR A SINGLE-UNIT DETACHED DWELLING IN THE SAME ZONING
8 DISTRICT;

9 (b) DOES NOT ALLOW FOR ACCESSORY DWELLING UNIT SIZES
10 BETWEEN FIVE HUNDRED AND EIGHT HUNDRED SQUARE FEET;

11 (c) REQUIRES SIDE SETBACKS FOR AN ACCESSORY DWELLING UNIT
12 THAT ARE LARGER THAN THE SIDE SETBACKS REQUIRED FOR A PRIMARY
13 DWELLING UNIT IN THE SAME ZONING DISTRICT;

14 (d) REQUIRES A REAR SETBACK FOR AN ACCESSORY DWELLING
15 UNIT THAT IS LARGER THAN THE GREATER OF:

16 (I) THE REAR SETBACK REQUIRED FOR OTHER ACCESSORY
17 BUILDING TYPES IN THE SAME ZONING DISTRICT; OR

18 (II) FIVE FEET;

19 (e) IS A MORE RESTRICTIVE MINIMUM LOT SIZE STANDARD FOR AN
20 ACCESSORY DWELLING UNIT THAN FOR A SINGLE-UNIT DETACHED
21 DWELLING IN THE SAME ZONING DISTRICT; OR

22 (f) APPLIES MORE RESTRICTIVE AESTHETIC DESIGN OR
23 DIMENSIONAL STANDARDS TO ACCESSORY DWELLING UNITS THAT ARE
24 FACTORY-BUILT RESIDENTIAL STRUCTURES, AS DEFINED IN SECTION
25 24-32-3302 (10), THAN OTHER ACCESSORY DWELLING UNITS.

26 (19)(a) "SHORT-TERM RENTAL" MEANS THE RENTAL OF A LODGING
27 UNIT FOR LESS THAN THIRTY DAYS. AS USED IN THIS SUBSECTION (19),

1 "LODGING UNIT" MEANS ANY PROPERTY OR PORTION OF A PROPERTY THAT
2 IS AVAILABLE FOR LODGING; EXCEPT THAT THE TERM EXCLUDES A HOTEL
3 OR MOTEL UNIT.

4 (b) NOTWITHSTANDING SUBSECTION (19)(a) OF THIS SECTION, A
5 LOCAL GOVERNMENT MAY APPLY ITS OWN DEFINITION OF "SHORT-TERM
6 RENTAL" FOR PURPOSES OF THIS PART 1.

7 (20) "SINGLE-UNIT DETACHED DWELLING" MEANS A DETACHED
8 BUILDING WITH A SINGLE DWELLING UNIT ON A SINGLE LOT.

9 (21) "SUBJECT JURISDICTION" MEANS EITHER:

10 (a) A MUNICIPALITY THAT BOTH HAS A POPULATION OF ONE
11 THOUSAND OR MORE, AS REPORTED BY THE STATE DEMOGRAPHY OFFICE,
12 AND IS WITHIN A METROPOLITAN PLANNING ORGANIZATION; OR

13 (b) THE PORTION OF A COUNTY THAT IS BOTH WITHIN A CENSUS
14 DESIGNATED PLACE WITH A POPULATION OF FORTY THOUSAND OR MORE,
15 AS REPORTED IN THE MOST RECENT DECENNIAL CENSUS, AND WITHIN A
16 METROPOLITAN PLANNING ORGANIZATION.

17 (22) "UNIVERSAL DESIGN" MEANS ANY DWELLING UNIT DESIGNED
18 AND CONSTRUCTED TO BE SAFE AND ACCESSIBLE FOR ANY INDIVIDUAL
19 REGARDLESS OF AGE OR ABILITIES.

20 (23) "VISITABLE UNIT" MEANS A DWELLING UNIT THAT A PERSON
21 WITH A DISABILITY CAN ENTER, MOVE AROUND THE PRIMARY ENTRANCE
22 FLOOR OF, AND USE THE BATHROOM IN.

23 **29-35-103. Accessory dwelling unit requirements for a subject**
24 **jurisdiction.** (1) A SUBJECT JURISDICTION SHALL ALLOW, SUBJECT TO AN
25 ADMINISTRATIVE APPROVAL PROCESS, ONE ACCESSORY DWELLING UNIT AS
26 AN ACCESSORY USE TO A SINGLE-UNIT DETACHED DWELLING IN ANY PART
27 OF THE SUBJECT JURISDICTION WHERE THE JURISDICTION ALLOWS

1 SINGLE-UNIT DETACHED DWELLINGS.

2 (2) A SUBJECT JURISDICTION SHALL NOT:

3 (a) REQUIRE THE CONSTRUCTION OF A NEW OFF-STREET PARKING
4 SPACE IN CONNECTION WITH THE CONSTRUCTION OR CONVERSION OF AN
5 ACCESSORY DWELLING UNIT;

6 (b) REQUIRE AN ACCESSORY DWELLING UNIT, OR ANY OTHER
7 DWELLING ON THE SAME LOT AS AN ACCESSORY DWELLING UNIT, TO BE
8 OWNER-OCCUPIED; EXCEPT THAT A SUBJECT JURISDICTION MAY REQUIRE
9 A PROPERTY OWNER TO DEMONSTRATE THAT THE PROPERTY OWNER
10 RESIDES ON THE PARCEL WHEN AN APPLICATION IS SUBMITTED:

11 (I) TO CONSTRUCT OR CONVERT AN ACCESSORY DWELLING UNIT.
12 THIS EXCEPTION DOES NOT APPLY FOR AN ACCESSORY DWELLING UNIT
13 THAT IS BEING CONSTRUCTED SIMULTANEOUSLY WITH A NEW PRIMARY
14 DWELLING UNIT.

15 (II) FOR A LICENSE OR PERMIT FOR A SHORT-TERM RENTAL ON THE
16 PARCEL THROUGH A LOCAL LAW OR PROGRAM.

17 (c) APPLY A RESTRICTIVE DESIGN OR DIMENSION STANDARD TO AN
18 ACCESSORY DWELLING UNIT.

19 (3) NOTHING IN THIS SECTION PREVENTS A SUBJECT JURISDICTION
20 OR OTHER LOCAL GOVERNMENT FROM:

21 (a) ALLOWING THE CONSTRUCTION OR CONVERSION OF AN
22 ACCESSORY DWELLING UNIT THAT IS SMALLER THAN FIVE HUNDRED
23 SQUARE FEET OR GREATER THAN EIGHT HUNDRED SQUARE FEET, OR
24 RESTRICTING THE SIZE OF AN ACCESSORY DWELLING UNIT SO THAT IT IS NO
25 LARGER THAN THE SIZE OF THE PRINCIPAL DWELLING UNIT ON THE SAME
26 LOT AS THE ACCESSORY DWELLING UNIT;

27 (b) ALLOWING THE CONSTRUCTION OR CONVERSION OF MULTIPLE

1 ACCESSORY DWELLING UNITS ON THE SAME LOT;

2 (c) APPLYING A DESIGN OR DIMENSION STANDARD TO AN

3 ACCESSORY DWELLING UNIT THAT IS NOT A RESTRICTIVE DESIGN OR

4 DIMENSION STANDARD;

5 (d) ADOPTING OR ENFORCING A GENERALLY APPLICABLE

6 REQUIREMENT FOR:

7 (I) THE PAYMENT OF AN IMPACT FEE OR OTHER SIMILAR

8 DEVELOPMENT CHARGE, PURSUANT TO SECTION 29-20-104.5; OR

9 (II) THE MITIGATION OF IMPACTS IN CONFORMANCE WITH THE

10 REQUIREMENTS OF PART 2 OF ARTICLE 20 OF THIS TITLE 29;

11 (e) ENACTING OR APPLYING A LOCAL LAW CONCERNING THE

12 SHORT-TERM RENTAL OF AN ACCESSORY DWELLING UNIT OR ANY OTHER

13 DWELLING ON THE SAME LOT AS AN ACCESSORY DWELLING UNIT;

14 (f) APPLYING THE DESIGN STANDARDS AND PROCEDURES OF A

15 HISTORIC DISTRICT TO A LOT ON WHICH AN ACCESSORY DWELLING UNIT IS

16 ALLOWED IN THAT HISTORIC DISTRICT, INCLUDING A STANDARD OR

17 PROCEDURE RELATED TO DEMOLITION;

18 (g) APPLYING AND ENFORCING A LOCALLY ADOPTED LIFE SAFETY

19 CODE, INCLUDING BUT NOT LIMITED TO, A BUILDING, FIRE, UTILITY, OR

20 STORMWATER CODE;

21 (h) ALLOWING THE CONSTRUCTION OF, OR ISSUING A PERMIT FOR

22 THE CONSTRUCTION OF, A SINGLE-UNIT DETACHED DWELLING IN AN AREA

23 ZONED FOR SINGLE-UNIT DETACHED DWELLINGS; ■

24 (i) ENCOURAGING THE CONSTRUCTION OF ACCESSORY DWELLING

25 UNITS THAT ARE, THROUGH THE APPLICATION OF LOCAL LAWS OR

26 PROGRAMS INCLUDING THROUGH DEED RESTRICTIONS, MADE AFFORDABLE

27 TO HOUSEHOLDS UNDER CERTAIN INCOME LIMITS OR USED PRIMARILY TO

1 HOUSE THE LOCAL WORKFORCE PURSUANT TO A LOCAL, REGIONAL, OR
2 STATE AFFORDABLE HOUSING PROGRAM; OR

3 (j) DEFINING ACCESSORY DWELLING UNIT IN LOCAL LAW AS
4 INCLUDING OR EXCLUDING OTHER DWELLING UNIT TYPES SUCH AS A
5 "MOTOR HOME", AS DEFINED IN SECTION 42-1-102 (57), A "MULTIPURPOSE
6 TRAILER", AS DEFINED IN SECTION 42-1-102 (60.3), AND A "RECREATIONAL
7 VEHICLE", AS DEFINED IN SECTION 24-32-902 (9).

8 (4) THIS SECTION ONLY APPLIES TO A PARCEL IN A SUBJECT
9 JURISDICTION THAT IS NOT AN EXEMPT PARCEL.

10 **29-35-104. Accessory dwelling unit supportive jurisdiction**
11 **report - certification of a jurisdiction as an accessory dwelling unit**

12 **supportive jurisdiction.** (1) (a) IN ORDER TO BE CERTIFIED AS AN
13 ACCESSORY DWELLING UNIT SUPPORTIVE JURISDICTION BY THE
14 DEPARTMENT, A LOCAL GOVERNMENT MUST SUBMIT TO THE DEPARTMENT,
15 IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT, A REPORT
16 DEMONSTRATING EVIDENCE OF THE LOCAL GOVERNMENT:

17 (I) COMPLYING WITH SECTION 29-35-103; AND

18 (II) IMPLEMENTING ONE OR MORE OF THE FOLLOWING STRATEGIES:

19 (A) WAIVING, REDUCING, OR PROVIDING FINANCIAL ASSISTANCE
20 FOR ACCESSORY DWELLING UNIT-RELATED FEES THAT ARE INCURRED BY
21 LOW- AND MODERATE-INCOME HOUSEHOLDS;

22 (B) ENACTING LOCAL LAWS OR PROGRAMS THAT INCENTIVIZE THE
23 AFFORDABILITY OF CERTAIN ACCESSORY DWELLING UNITS INCLUDING
24 ACCESSORY DWELLING UNITS USED PRIMARILY TO HOUSE THE LOCAL
25 WORKFORCE;

26 (C) PROVIDING PRE-APPROVED PLANS FOR THE CONSTRUCTION OF
27 ACCESSORY DWELLING UNITS;

1 (D) IMPLEMENTING A PROGRAM TO PROVIDE EDUCATION AND
2 TECHNICAL ASSISTANCE TO HOMEOWNERS TO CONSTRUCT OR CONVERT AN
3 ACCESSORY DWELLING UNIT;

4 (E) IMPLEMENTING A PROGRAM TO REGULATE THE USE OF
5 ACCESSORY DWELLING UNITS FOR SHORT-TERM RENTALS;

6 (F) ENACTING LOCAL LAWS THAT INCENTIVIZE THE CONSTRUCTION
7 AND CONVERSION OF ACCESSIBLE AND VISITABLE ACCESSORY DWELLING
8 UNITS;

9 (G) ASSISTING PROPERTY OWNERS WITH ENSURING THAT
10 PRE-EXISTING ACCESSORY DWELLING UNITS COMPLY WITH LOCAL LAWS;

11 (H) ENABLING A PATHWAY FOR THE SEPARATE SALE OF AN
12 ACCESSORY DWELLING UNIT;

13 (I) ENACTING LOCAL LAWS THAT ENCOURAGE THE CONSTRUCTION
14 OF ACCESSORY DWELLING UNITS THAT ARE FACTORY-BUILT RESIDENTIAL
15 STRUCTURES, AS DEFINED IN SECTION 24-32-3302 (10); OR

16 (J) ANY OTHER STRATEGY THAT IS APPROVED BY THE DEPARTMENT
17 AND THAT ENCOURAGES THE CONSTRUCTION, CONVERSION, OR USE OF
18 ACCESSORY DWELLING UNITS.

19 (b) (I) ON OR BEFORE JUNE 30, 2025, A SUBJECT JURISDICTION
20 SHALL SUBMIT THE REPORT DESCRIBED IN SUBSECTION (1)(a) OF THIS
21 SECTION.

22 (II) NOTWITHSTANDING SUBSECTION (1)(b)(I) OF THIS SECTION,
23 THE DEPARTMENT MAY ALLOW A SUBJECT JURISDICTION TO SUBMIT THE
24 REPORT DESCRIBED IN SUBSECTION (1)(a) OF THIS SECTION NO MORE THAN
25 SIX MONTHS AFTER THE DEADLINE DESCRIBED IN SUBSECTION (1)(b)(I) OF
26 THIS SECTION IF THE SUBJECT JURISDICTION DEMONSTRATES, IN A FORM
27 AND MANNER DETERMINED BY THE DEPARTMENT, THAT THE SUBJECT

1 JURISDICTION HAS:

2 (A) INITIATED A PROCESS TO UPDATE ITS LOCAL LAWS AS
3 NECESSARY TO COMPLY WITH THE REQUIREMENTS OF THE REPORT
4 DESCRIBED IN SUBSECTION (1)(a) OF THIS SECTION;

5 (B) A PLAN AND TIMELINE TO UPDATE ITS LOCAL LAWS AS
6 NECESSARY TO COMPLY WITH THE REQUIREMENTS OF THE REPORT
7 DESCRIBED IN SUBSECTION (1)(a) OF THIS SECTION; AND

8 (C) PROVIDED AN EXPLANATION FOR NOT BEING ABLE TO MEET
9 THE DEADLINE DESCRIBED IN SUBSECTION (1)(b)(I) OF THIS SECTION.

10 (c) IF A LOCAL GOVERNMENT THAT IS NOT A SUBJECT JURISDICTION
11 SUBMITS A REPORT PURSUANT TO SUBSECTION (1)(a) OF THIS SECTION,
12 THAT LOCAL GOVERNMENT SHALL, AS PART OF THE REPORT, SUBMIT
13 EVIDENCE OF COMPLYING WITH THE REQUIREMENTS FOR A SUBJECT
14 JURISDICTION DESCRIBED IN SECTION 29-35-103.

15 (2) (a) WITHIN NINETY DAYS OF RECEIVING A LOCAL
16 GOVERNMENT'S REPORT SUBMITTED PURSUANT TO SUBSECTION (1)(a) OF
17 THIS SECTION, THE DEPARTMENT SHALL REVIEW THE REPORT, EITHER
18 APPROVE OR REJECT THE REPORT, AND PROVIDE FEEDBACK TO THE LOCAL
19 GOVERNMENT ON THE REPORT.

20 (b) IF THE DEPARTMENT APPROVES A LOCAL GOVERNMENT'S
21 REPORT SUBMITTED PURSUANT TO SUBSECTION (1)(a) OF THIS SECTION,
22 THE DEPARTMENT SHALL ISSUE TO THAT LOCAL GOVERNMENT A
23 CERTIFICATE INDICATING THAT THE LOCAL GOVERNMENT QUALIFIES AS AN
24 ACCESSORY DWELLING UNIT SUPPORTIVE JURISDICTION. THE DEPARTMENT
25 MAY REVOKE SUCH A CERTIFICATE IF A LOCAL GOVERNMENT DOES NOT
26 SATISFY THE REQUIREMENTS OF SUBSECTION (1)(a) OF THIS SECTION.

27 (c) IF THE DEPARTMENT REJECTS A LOCAL GOVERNMENT'S REPORT

1 SUBMITTED PURSUANT TO SUBSECTION (1)(a) OF THIS SECTION, THE
2 DEPARTMENT MAY GRANT THE LOCAL GOVERNMENT AN ADDITIONAL ONE
3 HUNDRED TWENTY DAYS TO CORRECT ANY DEFICIENCIES IDENTIFIED IN
4 THE REPORT AND RESUBMIT AN AMENDED REPORT. WITHIN NINETY DAYS
5 OF RECEIVING AN AMENDED REPORT, THE DEPARTMENT SHALL REVIEW THE
6 AMENDED REPORT, EITHER APPROVE OR REJECT THE AMENDED REPORT,
7 AND PROVIDE FEEDBACK ON THE AMENDED REPORT.

8 (3) THE DEPARTMENT, IN CONSULTATION WITH THE DEPARTMENT
9 OF TRANSPORTATION, THE COLORADO ENERGY OFFICE, AND THE
10 COLORADO OFFICE OF ECONOMIC DEVELOPMENT, MAY DEVELOP POLICIES
11 AND PROCEDURES AS NECESSARY TO IMPLEMENT THIS SECTION.

12 **29-35-105. Accessory dwelling unit fee reduction and**
13 **encouragement grant program - created - application - criteria -**
14 **awards - fund - reporting requirements - rules - definitions - repeal.**

15 (1) THE ACCESSORY DWELLING UNIT FEE REDUCTION AND
16 ENCOURAGEMENT GRANT PROGRAM IS CREATED IN THE DEPARTMENT TO
17 PROVIDE GRANTS TO ACCESSORY DWELLING UNIT SUPPORTIVE
18 JURISDICTIONS FOR ACTIVITIES THAT PROMOTE THE CONSTRUCTION OF
19 ACCESSORY DWELLING UNITS, INCLUDING BUT NOT LIMITED TO,
20 OFFSETTING COSTS INCURRED IN CONNECTION WITH DEVELOPING
21 PRE-APPROVED ACCESSORY DWELLING UNIT PLANS, PROVIDING TECHNICAL
22 ASSISTANCE TO PERSONS CONVERTING OR CONSTRUCTING ACCESSORY
23 DWELLING UNITS, OR WAIVING, REDUCING, OR PROVIDING FINANCIAL
24 ASSISTANCE FOR ACCESSORY DWELLING UNIT ASSOCIATED FEES AND
25 OTHER REQUIRED COSTS.

26 (2) GRANT RECIPIENTS MAY USE THE MONEY RECEIVED THROUGH
27 THE GRANT PROGRAM TO OFFSET BOTH ELIGIBLE COSTS AND THE COST OF

1 WAIVING, REDUCING, OR PROVIDING FINANCIAL ASSISTANCE FOR
2 REASONABLE AND NECESSARY ACCESSORY DWELLING UNIT FEES AND
3 OTHER REQUIRED COSTS FOR:

- 4 (a) LOW- AND MODERATE-INCOME HOUSEHOLDS;
- 5 (b) AFFORDABLE ACCESSORY DWELLING UNITS;
- 6 (c) ACCESSIBLE OR VISITABLE ACCESSORY DWELLING UNITS;
- 7 (d) ACCESSORY DWELLING UNITS USED AS LONG-TERM RENTALS
8 FOR MEMBERS OF THE LOCAL WORKFORCE; OR
- 9 (e) ACCESSORY DWELLING UNITS USED TO SUPPORT OTHER
10 DEMONSTRATED HOUSING NEEDS IN THE COMMUNITY.

11 (3) THE DEPARTMENT SHALL ADMINISTER THE GRANT PROGRAM
12 AND, SUBJECT TO AVAILABLE APPROPRIATIONS, PROVIDE TECHNICAL
13 ASSISTANCE, DEVELOP A TOOLKIT TO SUPPORT LOCAL GOVERNMENTS IN
14 ENCOURAGING ACCESSORY DWELLING UNIT CONSTRUCTION, RECEIVE
15 GRANT APPLICATIONS AND AWARD GRANTS AS PROVIDED IN THIS SECTION.

16 (4) TO RECEIVE A GRANT, AN ACCESSORY DWELLING UNIT
17 SUPPORTIVE JURISDICTION MUST SUBMIT AN APPLICATION TO THE
18 DEPARTMENT IN ACCORDANCE WITH THE POLICIES AND PROCEDURES
19 DEVELOPED BY THE DEPARTMENT PURSUANT TO SUBSECTION (9) OF THIS
20 SECTION. AT A MINIMUM, THE APPLICATION MUST INCLUDE THE
21 FOLLOWING:

22 (a) A COPY OF THE CERTIFICATE ISSUED BY THE DEPARTMENT
23 PURSUANT TO SECTION 29-35-104 CERTIFYING THAT THE LOCAL
24 GOVERNMENT IS AN ACCESSORY DWELLING UNIT SUPPORTIVE
25 JURISDICTION;

26 (b) THE NUMBER OF ACCESSORY DWELLING UNITS THAT THE LOCAL
27 GOVERNMENT HAS PERMITTED AND WHEN THE LOCAL GOVERNMENT

1 PERMITTED THOSE ACCESSORY DWELLING UNITS;

2 (c) THE TYPE AND COSTS OF FEES AND OTHER ELIGIBLE COSTS THAT
3 THE LOCAL GOVERNMENT IS PROPOSING TO USE A GRANT AWARD TO PAY
4 FOR;

5 (d) THE NUMBER OF ACCESSORY DWELLING UNITS THAT THE LOCAL
6 GOVERNMENT EXPECTS TO SUPPORT WITH A GRANT AWARD AND THE
7 PERIOD FOR WHICH THE LOCAL GOVERNMENT INTENDS TO SUPPORT THOSE
8 ACCESSORY DWELLING UNITS; AND

9 (e) INFORMATION ABOUT THE TYPES OF HOUSEHOLDS AND
10 ACCESSORY DWELLING UNITS THAT THE LOCAL GOVERNMENT INTENDS TO
11 SUPPORT WITH A GRANT AWARD, SUCH AS WHETHER THE LOCAL
12 GOVERNMENT INTENDS TO SUPPORT LOW- AND MODERATE-INCOME
13 HOUSEHOLDS, AFFORDABLE ACCESSORY DWELLING UNITS, ACCESSIBLE OR
14 VISITABLE ACCESSORY DWELLING UNITS, ACCESSORY DWELLING UNITS FOR
15 HOUSING THE LOCAL WORKFORCE, OR ACCESSORY DWELLING UNITS
16 SUPPORTING OTHER DEMONSTRATED HOUSING NEEDS IN THE COMMUNITY.

17 (5) THE DEPARTMENT SHALL REVIEW THE APPLICATIONS RECEIVED
18 PURSUANT TO SUBSECTION (4) OF THIS SECTION. IN AWARDING GRANTS,
19 THE DEPARTMENT SHALL GIVE PRIORITY TO LOCAL GOVERNMENTS THAT:

20 (a) IMPOSE ACCESSORY DWELLING UNIT FEES AND COSTS THAT ARE
21 REASONABLE AND NECESSARY; ■■■

22 (b) HAVE DEMONSTRATED A SIGNIFICANT COMMITMENT TO
23 FURTHER CONSTRUCTION AND CONVERSION OF ACCESSORY DWELLING
24 UNITS THROUGH THE ADOPTION OF STRATEGIES DESCRIBED IN SECTION
25 29-35-104 (1)(a)(II); AND

26 (c) PROVIDE OFFSETS FOR, OR WAIVE A GREATER NUMBER OF
27 ACCESSORY DWELLING UNIT FEES FOR: ■■■

- 1 (I) LOW- AND MODERATE-INCOME HOUSEHOLDS; OR
- 2 (II) ACCESSORY DWELLING UNITS THAT ARE RENTED TO LOW- AND
- 3 MODERATE-INCOME HOUSEHOLDS.

4 (6) IN AWARDING A GRANT, THE DEPARTMENT SHALL AWARD A
5 LOCAL GOVERNMENT AN AMOUNT EQUAL TO NO MORE THAN FIFTEEN
6 THOUSAND DOLLARS PER ACCESSORY DWELLING UNIT PERMITTED BY THE
7 LOCAL GOVERNMENT, TO BE REIMBURSED BASED ON THE NUMBER OF
8 PERMITTED ACCESSORY DWELLING UNITS.

9 (7) (a) THE ACCESSORY DWELLING UNIT FEE REDUCTION AND
10 ENCOURAGEMENT GRANT PROGRAM FUND IS CREATED IN THE STATE
11 TREASURY. THE FUND CONSISTS OF ANY MONEY THAT THE GENERAL
12 ASSEMBLY MAY TRANSFER OR APPROPRIATE TO THE FUND AND GIFTS,
13 GRANTS, OR DONATIONS CREDITED TO THE FUND. THE STATE TREASURER
14 SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT
15 AND INVESTMENT OF MONEY IN THE FUND TO THE FUND.

16 (b) SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL
17 ASSEMBLY, THE DEPARTMENT MAY EXPEND MONEY FROM THE FUND FOR
18 THE PURPOSE OF IMPLEMENTING AND ADMINISTERING THE GRANT
19 PROGRAM.

20 (c) ON OR BEFORE JUNE 30, 2024, THE STATE TREASURER SHALL
21 TRANSFER FIVE MILLION DOLLARS FROM THE GENERAL FUND TO THE FUND.

22 (8) IN ACCORDANCE WITH THE POLICIES AND PROCEDURES
23 DEVELOPED BY THE DEPARTMENT PURSUANT TO SUBSECTION (9) OF THIS
24 SECTION, EACH LOCAL GOVERNMENT THAT RECEIVES A GRANT THROUGH
25 THE GRANT PROGRAM SHALL SUBMIT A REPORT TO THE DEPARTMENT. AT
26 A MINIMUM, THE REPORT MUST INCLUDE THE FOLLOWING INFORMATION:

27 (a) THE NUMBER OF ACCESSORY DWELLING UNITS WITH

1 ACCESSORY DWELLING UNIT FEES OR COSTS THAT LOCAL GOVERNMENTS
2 WAIVED, REDUCED, OR PROVIDED FINANCIAL ASSISTANCE FOR IN THE PAST
3 YEAR;

4 (b) THE TOTAL AMOUNT OF ELIGIBLE COSTS THAT LOCAL
5 GOVERNMENTS INCURRED AND WERE REIMBURSED FOR THROUGH THE
6 GRANT PROGRAM IN THE PAST YEAR IN CONNECTION WITH THE GRANT
7 PROGRAM;

8 (c) THE NUMBER OF THE ACCESSORY DWELLING UNITS DESCRIBED
9 IN SUBSECTION (8)(a) OF THIS SECTION THAT WERE BUILT IN THE PAST
10 YEAR THAT WERE BUILT BY LOW- AND MODERATE-INCOME HOUSEHOLDS,
11 THAT ARE AFFORDABLE ACCESSORY DWELLING UNITS, AND THAT ARE
12 VISITABLE OR ACCESSIBLE ACCESSORY DWELLING UNITS;

13 (d) THE NUMBER OF ACCESSORY DWELLING UNITS THAT ARE
14 FACTORY-BUILT RESIDENTIAL STRUCTURES, AS DEFINED IN SECTION
15 24-32-3302 (10); AND

16 (e) THE NUMBER OF ACCESSORY DWELLING UNIT PERMITS
17 AWARDED, DENIED, OR IN PROGRESS IN THE LOCAL GOVERNMENT'S
18 JURISDICTION.

19 (9) THE DEPARTMENT SHALL IMPLEMENT THE GRANT PROGRAM IN
20 ACCORDANCE WITH THIS SECTION. THE DEPARTMENT SHALL DEVELOP, IN
21 CONSULTATION WITH THE DEPARTMENT OF TRANSPORTATION, THE
22 COLORADO ENERGY OFFICE, AND THE COLORADO OFFICE OF ECONOMIC
23 DEVELOPMENT, POLICIES AND PROCEDURES BOTH AS REQUIRED IN THIS
24 SECTION AND AS MAY BE NECESSARY TO IMPLEMENT THE GRANT
25 PROGRAM.

26 (10) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
27 REQUIRES:

1 (a) "ACCESSORY DWELLING UNIT FEE" MEANS A REASONABLE AND
2 NECESSARY FEE COLLECTED OR REQUIRED BY A LOCAL GOVERNMENT IN
3 CONNECTION WITH THE CONSTRUCTION OR CONVERSION OF AN ACCESSORY
4 DWELLING UNIT. SUCH A FEE MAY INCLUDE IMPACT FEES.

5 (b) (I) "ELIGIBLE COSTS" MEANS COSTS INCURRED BY A LOCAL
6 GOVERNMENT AND DETERMINED BY THE DEPARTMENT TO BE INCURRED IN
7 CONNECTION WITH DEVELOPING PRE-APPROVED ACCESSORY DWELLING
8 UNIT PLANS, PROVIDING TECHNICAL ASSISTANCE TO PERSONS CONVERTING
9 OR CONSTRUCTING ACCESSORY DWELLING UNITS, OR OTHER REASONABLE
10 AND NECESSARY FEES LEVIED BY OR COSTS BORNE BY THE LOCAL
11 GOVERNMENT FOR THE CONSTRUCTION OR CONVERSION OF AN ACCESSORY
12 DWELLING UNIT.

13 (II) NOTWITHSTANDING SUBSECTION (10)(b)(I) OF THIS SECTION,
14 IN ORDER FOR COSTS INCURRED BY A LOCAL GOVERNMENT IN CONNECTION
15 WITH DEVELOPING PRE-APPROVED ACCESSORY DWELLING UNIT PLANS TO
16 QUALIFY AS ELIGIBLE COSTS, AT LEAST ONE SUCH PRE-APPROVED
17 ACCESSORY DWELLING UNIT PLAN MUST BE FOR AN ACCESSIBLE OR
18 VISITABLE ACCESSORY DWELLING UNIT.

19 (c) "FUND" MEANS THE ACCESSORY DWELLING UNIT FEE
20 REDUCTION AND ENCOURAGEMENT GRANT PROGRAM FUND CREATED IN
21 SUBSECTION (7) OF THIS SECTION.

22 (d) "GRANT PROGRAM" MEANS THE ACCESSORY DWELLING UNIT
23 FEE REDUCTION AND ENCOURAGEMENT GRANT PROGRAM CREATED IN THIS
24 SECTION.

25 (11) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2030.

26 **SECTION 2.** In Colorado Revised Statutes, 24-32-3305, **add**
27 **(3.3)** as follows:

1 **24-32-3305. Rules - advisory committee - enforcement.**

2 (3.3) THE DEPARTMENT SHALL CREATE FOR FACTORY-BUILT STRUCTURES,
3 INCLUDING THOSE THAT WOULD BE CONSIDERED ACCESSORY DWELLING
4 UNITS, MODEL PUBLIC SAFETY CODE REQUIREMENTS RELATED TO
5 GEOGRAPHIC OR CLIMATIC CONDITIONS, SUCH AS WEIGHT RESTRICTIONS
6 FOR ROOF SNOW LOADS, WIND SHEAR FACTORS, OR WILDFIRE RISK, FOR
7 LOCAL GOVERNMENTS TO CONSIDER AND ADOPT PURSUANT TO SECTION
8 24-32-3318 (2)(a).

9 **SECTION 3.** In Colorado Revised Statutes, 24-46-104, **add**
10 (1)(q) as follows:

11 **24-46-104. Powers and duties of commission - repeal.** (1) The
12 commission has the following powers and duties:

13 (q) (I) TO EXPEND EIGHT MILLION DOLLARS TO CONTRACT WITH
14 THE COLORADO HOUSING AND FINANCE AUTHORITY, CREATED IN PART 7
15 OF ARTICLE 4 OF TITLE 29, FOR THE CREATION AND OPERATION OF ONE OR
16 MORE OF THE FOLLOWING PROGRAMS TO BENEFIT LOW- TO
17 MODERATE-INCOME RESIDENTS IN LOCAL GOVERNMENTS THAT HAVE BEEN
18 CERTIFIED AS ACCESSORY DWELLING UNIT SUPPORTIVE JURISDICTIONS BY
19 THE DEPARTMENT OF LOCAL AFFAIRS:

20 (A) AN ACCESSORY DWELLING UNIT CREDIT ENHANCEMENT
21 PROGRAM THAT SUPPORTS LENDERS OFFERING AFFORDABLE LOANS TO
22 ELIGIBLE LOW- AND MODERATE-INCOME BORROWERS FOR THE
23 CONSTRUCTION OR CONVERSION OF ACCESSORY DWELLING UNITS;

24 (B) A PROGRAM THAT ALLOWS FOR THE BUYING DOWN OF
25 INTEREST RATES ON LOANS MADE TO ELIGIBLE LOW- AND
26 MODERATE-INCOME BORROWERS IN CONNECTION WITH THE
27 CONSTRUCTION OR CONVERSION OF ACCESSORY DWELLING UNITS;

1 (C) A PROGRAM THAT OFFERS DOWN PAYMENT ASSISTANCE IN
2 CONNECTION WITH ACCESSORY DWELLING UNITS, PRINCIPAL REDUCTION
3 ON LOANS TO ELIGIBLE LOW- AND MODERATE-INCOME BORROWERS MADE
4 IN CONNECTION WITH ACCESSORY DWELLING UNITS, OR BOTH; OR

5 (D) A PROGRAM IN WHICH THE COLORADO HOUSING AND FINANCE
6 AUTHORITY OFFERS LOANS, REVOLVING LINES OF CREDIT, OR GRANTS TO
7 ELIGIBLE NON-PROFITS, PUBLIC HOUSING AUTHORITIES, AND COMMUNITY
8 DEVELOPMENT FINANCIAL INSTITUTIONS TO MAKE DIRECT LOANS OR
9 GRANTS TO SUPPORT THE CONSTRUCTION OR CONVERSION OF ACCESSORY
10 DWELLING UNITS FOR LOW- AND MODERATE-INCOME BORROWERS OR
11 TENANTS.

12 (II) ANY CONTRACT MADE BY THE COMMISSION WITH THE
13 COLORADO HOUSING AND FINANCE AUTHORITY PURSUANT TO THIS
14 SUBSECTION (1)(q) MAY INCLUDE NORMAL AND CUSTOMARY FEES AND
15 EXPENSES FOR ADMINISTRATING THE PROGRAMS DESCRIBED IN THIS
16 SUBSECTION (1)(q).

17 **SECTION 4. In Colorado Revised Statutes, 24-46-105, add**
18 **(1)(c) as follows:**

19 **24-46-105. Colorado economic development fund - creation -**
20 **report - repeal. (1) (c) (I) ON JULY 1, 2024, THE STATE TREASURER**
21 **SHALL TRANSFER EIGHT MILLION DOLLARS FROM THE GENERAL FUND TO**
22 **THE FUND. THE COMMISSION SHALL USE THE FUNDS TRANSFERRED**
23 **PURSUANT TO THIS SUBSECTION (1)(c)(I) TO CONTRACT WITH THE**
24 **COLORADO HOUSING AND FINANCE AUTHORITY, CREATED IN PART 7 OF**
25 **ARTICLE 4 OF TITLE 29, FOR THE PURPOSES DESCRIBED IN SECTION**
26 **24-46-104 (1)(q).**

27 **(II) THIS SUBSECTION (1)(c) IS REPEALED, EFFECTIVE JULY 1, 2025.**

1 **SECTION 5.** In Colorado Revised Statutes, 24-67-105, **add** (5.5)
2 as follows:

3 **24-67-105. Standards and conditions for planned unit**
4 **development - definitions.** (5.5) (a) IN A SUBJECT JURISDICTION, ANY
5 PLANNED UNIT DEVELOPMENT RESOLUTION OR ORDINANCE THAT IS
6 ADOPTED OR APPROVED ON OR AFTER THE EFFECTIVE DATE OF THIS
7 SUBSECTION (5.5), AND THAT ALLOWS THE CONSTRUCTION OF ONE OR
8 MORE SINGLE-UNIT DETACHED DWELLINGS, MUST NOT RESTRICT THE
9 CREATION OF AN ACCESSORY DWELLING UNIT AS AN ACCESSORY USE TO
10 ANY SINGLE-UNIT DETACHED DWELLING MORE THAN THE LOCAL LAW THAT
11 APPLIES TO ACCESSORY DWELLING UNIT DEVELOPMENT OUTSIDE OF A
12 PLANNED UNIT DEVELOPMENT OR IN ANY WAY THAT IS PROHIBITED BY
13 SECTION 29-35-103.

14 (b) IN A SUBJECT JURISDICTION, ANY PLANNED UNIT DEVELOPMENT
15 RESOLUTION OR ORDINANCE THAT WAS ADOPTED OR APPROVED BEFORE
16 THE EFFECTIVE DATE OF THIS SUBSECTION (5.5), THAT ALLOWS THE
17 CONSTRUCTION OF ONE OR MORE SINGLE-UNIT DETACHED DWELLINGS,
18 AND THAT RESTRICTS THE CONSTRUCTION OF AN ACCESSORY DWELLING
19 UNIT AS AN ACCESSORY USE TO ANY SINGLE-UNIT DETACHED DWELLING
20 MORE THAN THE LOCAL LAW THAT APPLIES TO ACCESSORY DWELLING UNIT
21 DEVELOPMENT OUTSIDE OF A PLANNED UNIT DEVELOPMENT:

22 (I) SHALL NOT BE INTERPRETED OR ENFORCED TO RESTRICT THE
23 CREATION OF AN ACCESSORY DWELLING UNIT AS AN ACCESSORY USE TO
24 ANY SINGLE-UNIT DETACHED DWELLING UNIT IN ANY WAY THAT IS
25 PROHIBITED BY SECTION 29-35-103; AND

26 (II) MAY BE SUPERSEDED BY THE ADOPTION OF A LOCAL LAW
27 PURSUANT TO SECTION 29-35-103.

1 (c) NOTWITHSTANDING SUBSECTION (5.5)(b) OF THIS SECTION, A
2 LOCAL GOVERNMENT MAY ADOPT CONFORMING AMENDMENTS TO ANY
3 SUCH PLANNED UNIT DEVELOPMENT.

4 (d) AS USED IN THIS SUBSECTION (5.5), UNLESS THE CONTEXT
5 OTHERWISE REQUIRES:

6 (I) "ACCESSORY DWELLING UNIT" HAS THE SAME MEANING AS SET
7 FORTH IN SECTION 29-35-102 (2).

8 (II) "LOCAL LAW" HAS THE SAME MEANING AS SET FORTH IN
9 SECTION 29-35-102 (13).

10 (III) "SUBJECT JURISDICTION" HAS THE SAME MEANING AS SET
11 FORTH IN SECTION 29-35-102 (21).

12 **SECTION 6.** In Colorado Revised Statutes, 38-33.3-106.5, **add**
13 (3) as follows:

14 **38-33.3-106.5. Prohibitions contrary to public policy -**
15 **patriotic, political, or religious expression - public rights-of-way - fire**
16 **prevention - renewable energy generation devices - affordable**
17 **housing - drought prevention measures - child care - definitions.**

18 (3) (a) IN A SUBJECT JURISDICTION OR AN ACCESSORY DWELLING UNIT
19 SUPPORTIVE JURISDICTION, NO PROVISION OF A DECLARATION, BYLAW, OR
20 RULE OF AN ASSOCIATION THAT IS ADOPTED ON OR AFTER THE EFFECTIVE
21 DATE OF THIS SUBSECTION (3) MAY RESTRICT THE CREATION OF AN
22 ACCESSORY DWELLING UNIT AS AN ACCESSORY USE TO ANY SINGLE-UNIT
23 DETACHED DWELLING IN ANY WAY THAT IS PROHIBITED BY SECTION
24 29-35-103, AND ANY PROVISION OF A DECLARATION, BYLAW, OR RULE
25 THAT INCLUDES SUCH A RESTRICTION IS VOID AS A MATTER OF PUBLIC
26 POLICY.

27 (b) IN A SUBJECT JURISDICTION OR AN ACCESSORY DWELLING UNIT

1 SUPPORTIVE JURISDICTION, NO PROVISION OF A DECLARATION, BYLAW, OR
2 RULE OF AN ASSOCIATION THAT IS ADOPTED BEFORE THE EFFECTIVE DATE
3 OF THIS SUBSECTION (3) MAY RESTRICT THE CREATION OF AN ACCESSORY
4 DWELLING UNIT AS AN ACCESSORY USE TO ANY SINGLE-UNIT DETACHED
5 DWELLING IN ANY WAY THAT IS PROHIBITED BY SECTION 29-35-103, AND
6 ANY PROVISION OF A DECLARATION, BYLAW, OR RULE THAT INCLUDES
7 SUCH A RESTRICTION IS VOID AS A MATTER OF PUBLIC POLICY.

8 (c) SUBSECTIONS (3)(a) AND (3)(b) OF THIS SECTION DO NOT APPLY
9 TO REASONABLE RESTRICTIONS ON ACCESSORY DWELLING UNITS. AS USED
10 IN THIS SUBSECTION (3)(c), "REASONABLE RESTRICTION" MEANS A
11 SUBSTANTIVE CONDITION OR REQUIREMENT THAT DOES NOT
12 UNREASONABLY INCREASE THE COST TO CONSTRUCT, EFFECTIVELY
13 PROHIBIT THE CONSTRUCTION OF, OR EXTINGUISH THE ABILITY TO
14 OTHERWISE CONSTRUCT, AN ACCESSORY DWELLING UNIT CONSISTENT
15 WITH PART 1 OF ARTICLE 35 OF TITLE 29.

16 (d) AS USED IN THIS SUBSECTION (3), UNLESS THE CONTEXT
17 OTHERWISE REQUIRES:

18 (I) "ACCESSORY DWELLING UNIT" HAS THE SAME MEANING AS SET
19 FORTH IN SECTION 29-35-102 (2).

20 (II) "ACCESSORY DWELLING UNIT SUPPORTIVE JURISDICTION" HAS
21 THE SAME MEANING AS SET FORTH IN SECTION 29-35-102 (3).

22 (III) "SUBJECT JURISDICTION" HAS THE SAME MEANING AS SET
23 FORTH IN SECTION 29-35-102 (21).

24 **SECTION 7. Appropriation.** (1) For the 2024-25 state fiscal
25 year, \$537,246 is appropriated to the department of local affairs. This
26 appropriation is from the accessory dwelling unit fee reduction and
27 encouragement grant program fund created in section 29-35-105 (7)(a),

1 C.R.S. To implement this act, the department may use this appropriation
2 as follows:

3 (a) \$467,246 for use by division of local government for accessory
4 dwelling unit fee reduction and encouragement grant program related to
5 local government services, which amount is based on an assumption that
6 the division will require an additional 4.9 FTE; and

7 (b) \$70,000 for the purchase of information technology services.

8 (2) For the 2024-25 state fiscal year, \$70,000 is appropriated to
9 the office of the governor for use by the office of information technology.
10 This appropriation is from reappropriated funds received from the
11 department of local affairs under subsection (1)(b) of this section. To
12 implement this act, the office may use this appropriation to provide
13 information technology services for the department of local affairs.

14

15 **SECTION 8. Safety clause.** The general assembly finds,
16 determines, and declares that this act is necessary for the immediate
17 preservation of the public peace, health, or safety or for appropriations for
18 the support and maintenance of the departments of the state and state
19 institutions.